The A. F. of L. Weekly News Service gives news accounts and official interpretations of matters affecting labor according to the labor, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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Give to the Red Cross

WHOLE NO. 1819 | WILLIAM GREEN, President | WASHINGTON, D. C., TUESDAY, FEBRUARY 19, 1946 | GEORGE MEANY, Secretary-Treasurer | VOL. 36, NO. 8

YOUR HEALTH!

Following is the first of a series of articles by eminent physicians and medical authorities explaining why enactment of health insurance legislation is vital to the welfare of the American people.

By DR. ERNST P. BOAS
Chairman of the Physicians Forum

Recent studies made of the business conducted by small loan companies show that about 25 percent of all small loans are made for the purpose of paying medical, dental or hospital bills. Likewise, current figures show that more war bonds are cashed to meet medical expenses than for any other single reason.

These facts give added weight to President Truman's recent proposal that Congress enact a system of nationwide health insurance. With such a system in effect, people would not have to exhaust their hard-earned savings or saddle themselves with heavy debts when accident or illness befalls them.

Nobody knows when he or some member of his family is going to be sick. Serious illness, however, does strike nearly every family at least once in the course of a generation.

Actually, the American people have been trying for a long time to protect themselves against the financial hazards of illness. As President Truman said, "The American people are the most insurance-minded in the world." Unfortunately, the kinds of medical care insurance that are available now are not suited to most people's needs. A brief examination of their principal features will reveal the reasons why.

The most common type of health insurance today is that provided by the Blue Cross hospitalization plans. The usual cost is $24 per year per family. In return, the patient has his hospital bill paid for a period which usually ranges from 30 to 60 days. The bill for the doctor's or surgeon's services is not paid. A few of the plans pay for some of these services while the patient is in the hospital; for this additional benefit, of course, there is a higher premium charge.

The limitations of the Blue Cross plans are evident when we consider that hospital bills account for only 13 percent of sickness costs.

In recent years, medical societies have sponsored insurance plans of a very limited scope. As a rule, these provide protection only against serious illness. The contract is usually a complicated one, and the subscriber has to read it carefully before he knows just what he is entitled to. For example, he may find that the insurance does not cover the first visit or two to the doctor during illness. Or he may find that the insurance company will pay the doctor only a certain amount for a certain item of service, and that he has to pay the balance himself.

Another type of plan is the consumer-sponsored group-practice health association. One of the voluntary plans, these are the best, because they offer the most complete type of service. They are able to do this, because their doctors work as a team and are paid on a salaried basis. This is by far the most satisfactory and economical type of medical service. Even so, the cost of membership in these plans is more than many families can afford.

Finally, there are the commercial health and accident insurance plans. Most of them limit their benefits to specified cash indemnities toward payment of the surgeon's or hospital's bill.

In brief, the main disadvantages of the various voluntary health insurance plans are:

(1) They do not provide complete care; preventive care, dental care, and care in ordinary illness are usually excluded.

(2) Most of the plans pay individual physicians a fee for each service performed. This makes cost of services and administration too high.

(3) The cost of membership in these plans is more than most people can afford. Today only about 3 percent of the population is enrolled in voluntary plans which give adequate coverage, at reasonable cost.

(4) Members who are often sick tend to stay in the plan, while those who are healthy tend to drop out. Thus, the plan may find itself in an increasingly unsound financial position.

A nationwide health insurance system such as that recommended by President Truman need have none of these disadvantages. Under such a system each person would get all the care he needed, including preventive care, at a minimum cost. Furthermore, the average income of doctors would be increased. Today doctors get a good deal of free work for patients who cannot pay. In a national health program such as that provided for in S. 1606, the Wagner-Murray-Dingell bill which follows the President's proposals, physicians would be paid for all the work they do.

UNO Grants AFL Official Status As Consultant On Labor Problems

London.—The United Nations Organization, after a fierce opposition battle by Soviet Russia, granted the American Federation of Labor official recognition as a consultant to the United Nations Economic and Social Council by an overwhelming vote of 24 to 9.

Russian delegates exerted all kinds of political pressure and resorted to devious parliamentary tricks to exclude the AFL and to make the so-called World Federation of Trade Unions, which is dominated by the Communists, the exclusive labor consultant to the UNO.

However, these efforts failed as the delegates from 24 of the 51 nations, Great Britain and other large democracies lined up solidly to support the AFL's claims to recognition. As a final compromise both the AFL and the WFTU were given equal status.

The AFL opposed recognition being granted to the WFTU, which it has refused to do on the principle that labor groups from each nation should be given consultative status to the delegation from its own country. If represented only through the WFTU, the AFL emphasized, a labor organization might be committed to a policy battle to that espoused in the UNO by its national delegation.

The Soviet opposition to the AFL stand was on a par with the obstructive tactics evidenced by the Russians on almost every major issue presented for action at the initial UNO meeting. On many occasions during the meeting delegates from the United States and Great Britain were forced to castigate Soviet policies publicly. British Foreign Minister Bevin openly accused Russia of advocating moves which would lead to war and even Mrs. Roosevelt, from the United States delegation, led a successful move to defeat Soviet recommendations with regard to refugees.

The debate on labor recognition reached torrid heights when Prime Minister Peter Fraser of New Zealand accused Soviet Delegate Dmitri Manuilsky, who was acting as chairman, of trying to "trick" the delegates on how to vote on the issue.

"Those tricks won't work here," said Mr. Fraser. "They may work in some places but not here. Those methods are not right in the United Nations."

France was the only major country to vote with the Soviet Union against the AFL. China sided with the United States and Britain. Senator Connally of Texas led the fight for the U. S. delegation and Philip Noel-Baker for the British delegates.

AFL International Representative Robert J. Watt, who was here in London for a meeting of the executive board of the International Labor Organization, kept in close touch with the proceedings.

AFL Backs Red Cross Drive

Washington, D. C.—The 1946 drive of the Red Cross has been given full endorsement by leaders of the American Federation of Labor.

President William Green, Vice President Matthew Woll and Secretary-Treasurer George Meany have pledged their support, as have hundreds of other AFL officers throughout the country.

The campaign begins March first. The fund-raising goal is $100,000,000. This amount is exactly half of that requested last year.

President William Green said:

"Members of the American Federation of Labor support the Red Cross with full knowledge of its humanitarian services in this country and throughout the world.

A few of the noteworthy services for which the Red Cross fund will be devoted follow:

Men and Women in Armed Forces—Canteens, clubmobiles, recreation facilities for occupation troops.

Returned Veterans—Financial assistance, guidance, pension claims, legal aid.

Hospital Services—Recreation, arts and skills instruction, medical aid, vocational rehabilitation.

Home Services—Emergency aid, civilian blood donor plan, accident prevention program, community health projects.

Disaster Relief—Since Pearl Harbor, American Red Cross has given food, clothing, shelter and medical care to 500,000 victims of disaster in the United States.

Foreign Relief—Continuation of clothing and medical supplies to foreign peoples in need of help; materials valued at $33,500,000 distributed this winter.

AFL Hits Wage-Price Policy As Body-Blow To Workers

Truman Explains Plan

Washington, D. C.—Text of statement by President Truman explaining his new wage-price policy follows:

I am modifying our wage-price policy to permit wage increases within certain limits and to permit any industry placed in a hardship position by an approved increase to seek price adjustments without waiting until the end of a 6 months' test period, as previously required.

If the general level of prices is to remain stable in the next few critical months, the immediate price relief in such cases must be conservatively appraised. It must, however, be sufficient to maintain profitable operation in the test period to an industry not producing at low volume.

If the expected improvement in earnings should fail to materialize in any industry, I will move promptly to review its action. Appropriate relief within the limits of the modified policy may be accorded, where practicable, to individual firms.

I am authorizing the National Wage Stabilization Board to approve any wage or salary increase or part thereof, which is found to be consistent with the general pattern of wage or salary adjustments established in the industry or local labor market area since Aug. 18, 1945. Where there is no such general pattern, provision is made for the approval of increases found necessary to eliminate gross inequities as between related industries, plants or job classifications, or to correct substandards of living or to correct disparities between the increase in wage or salary rates since January, 1941, and the increase in the cost of living between that date and September, 1945.

This wage program, therefore, takes into account the thousands of wage agreements reached before and after VJ Day. While many groups of wage earners have received a quality increase during the transition, in order to bring their pay into line with the increased cost of living, or with the existing wage levels of the industry or area, the program is not to be interpreted as permitting a horizontal round of increases.

The executive order provides that the stabilization administrator shall determine those classes of cases in which a wage increase may be put into effect without application to the Stabilization Board approval and without any waiver of rights to ask for price relief.

These cases will include all those in which the increase will clearly not have an inflationary effect. It is expected that many of those increases coming within the present pattern of wage increases will not have to have individual approval. I hope that free collective bargaining will be used to the fullest possible extent.

Increases outside and beyond this general policy cannot be approved without subjecting the workers and the public to the danger of inflation. It is to the best advantage of the American worker, above all other groups, that the price line be held.

This change now being made in our wage and pricing standards can succeed only with the support of business, labor, Congress, all the agencies of the administration, and the rank and file of the American people.

I am directing that all administrative agencies use their full legal powers, including emergency powers granted by the Second War Powers Act, to assist the Office of Price Administration in meeting the government's responsibility for retaining control over the forces of inflation.

Price fixing will be used vigorously wherever necessary to prevent increases in prices. There will be a strict enforcement of inventory controls. The resources of the Treasury and Justice Departments will be called upon to assist in enforcing these controls.

I trust that the Congress will: (1) extend the stabilization statutes without amendment and with no time limit beyond June 30; (2) there may be no question in one's mind concerning the determination of the Congress to see the fight against inflation through to the finish; (3) extend the subsidy program for meat; (4) enact the Patman bill to establish price controls over housing (present speculation in the real estate market is one of the most dangerous aspects of the present situation and one which works particular hardship on the millions of returning veterans and their families); (4) extend promptly the Second War Powers Act, so that the emergency powers needed during the war may continue to be exercised wherever necessary in dealing with the economic aftermath of war.

Only by measures such as these can we hope to retain our controls as a people over our own economy. But even these measures will fail us unless the American people dedicate themselves to support of the national economic stabilization program.

I welcome this because I am determined that this country shall avoid the misery and disaster of inflation and that our vast resources of purchasing power shall be used to maintain a high standards of living for all of us. Production will do away with the necessity for government controls.

N.Y. Construction Workers Sign Historic Agreement

New York City.—Major wage increases for construction workers in the New York area were provided in a historic 5-year master contract signed by the New York Building and Construction Trades Council and the New York Building Trades Employers Association.

Retroactive to Jan. 1, the contract calls for wage rate increases ranging as high as 25 cents an hour for 150,000 or more workers in the 130 local unions affiliated with the council. Workers are also given 6 holidays with pay each year.

As a further important factor, the agreement places a ban on strikes, including jurisdictional disputes, for the 5-year duration of the contract. A similar ban on lockouts is included.

One issue—as to whether the employer shall contribute 3 percent of pay rolls to a welfare and insurance fund, remains unsettled pending investigation by OPA of its effect on prices.

If any disputes arise under the contract both sides agree to refer it to voluntary arbitration. The agreement consummated many months of negotiation.

AFL Secretary-Treasurer George Meany hailed the contract as "a real triumph for the American system of collective bargaining" in an address at a luncheon attended by civic, union and industry officials.

Senate Group Okays Minimum Pay Hike To 65 Cents Now, 75 Cents by 1950

Washington, D. C.—The Senate Education and Labor Committee approved a bill to establish a national minimum wage of 65 cents an hour, and to grant pay boosts to nearly six million oppressed workers.

The bill follows recommendations made by President Truman and the AFL.

Chairman Murray said he would consult Democratic Leader Barkley, with a view to bringing the measure up in the Senate soon.

The legislation was broadened by the committee to include about 2,000,000 workers who get 65 cents an hour, to grant pay boosts to nearly six million oppressed workers.

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The bill would increase the minimum wage under the wage-hour act from 40 to 65 cents an hour within 4 months after it is enacted.

At the end of 2 years the minimum would rise automatically to 70 cents an hour and at the end of 4 years to 75 cents.

The committee agreed to extend the higher minimum wage to all workers in industries that the Supreme Court in 1941 found engaged in commerce.

This would mean chain establishments. However, an exemption would be granted to workers with 4 stores or less so long as their gross sales did not exceed $500,000 a year. The object is to relieve small shops of the minimum wage requirements.

The bill also would improve upon with regard to messengers. As at present, the wage-hour division could authorize wages less than the minimum for messengers to prevent establishment of employment opportunities.

Prohibitions against child labor would be extended to all enterprises "affecting commerce." This would broaden the child-labor ban.

The committee turned down renewed efforts to obtain minimum wage exemptions for first processors of agricultural products.

The first process, such as food packers, would be given exemptions for overtime payments, however, for 14 weeks per year, provided the work week did not exceed 56 hours.

MINIMUM PAY DEBATE ON AFL RADIO SHOW

Washington, D. C.—Urgent need for higher minimum pay standards, as provided in the bill approved by the Senate Committee on Education and Labor, will be discussed on the AFL's "America United" radio program on Sunday, Feb. 24 over the NBC network.

Participants in the program will be AFL Organization Director Frank Fenton, Senator George D. Aiken of Vermont, and H. Metcalfe Walling, Administrator of the Wage-Hour Division of the Department of Labor.

Don't miss this important broadcast. It goes on the air at 1:15 p.m. Eastern time.

Consult your newspapers for the time of local broadcast.

Green Fights Transfer of USES

Washington, D. C.—William Green, president of the American Federation of Labor, charged that the transfer of the United States Employment Service to state control would result in the job program in politics and patronage.

Appearing before the Senate Labor Committee, Mr. Green pleaded for retention of the USES under federal control, preferably as a permanent agency. He assailed the recent action of the Senate which ignored recommendations of its own Labor Committee and voted to turn over the service to 51 state and territorial employment offices.

A break-up of the USES, Mr. Green maintained, would be "disastrous" to the veterans' job program, would upset employment standards and would "jeopardize the right of every worker to a maximum number of people to work for his maximum abilities and skills," he declared.

Shopcrafts Win Court Decision

Washington, D. C.—Railroads cannot deprive employes of certain benefits of the Railroad Unemployment Insurance Act by farming out work to "dummy" private corporations, the U. S. Circuit Court of Appeals for the District of Columbia decided.

The case involves the Despatch Shops, Inc., a corporation set up by the New York Central to assist in doing freight car shops at East Rochester, N. Y.

All officers of Despatch Shops are also officers of the New York Central, which owns 100 percent of the stock of the corporation. Nonetheless, when the Railroad Retirement Board attempted to levy taxes its workers were entitled to protection of the Retirement and Unemployment Insurance Acts, the corporation appealed the finding to the courts.

It started two suits, one in federal court of the District of Columbia and the other in New York City. The first involved application of the Unemployment Insurance law and the other, Railroad Retirement. Both lower courts held the shops were covered, thus sustaining the board and the AFL's shopcraft unions, which had joined the battle.

SHIPYARD WAGE TALKS ARE STILL DEADLOCKED

Washington, D. C.—For the first time, government and labor representatives have discussed the question of wage increase which should be granted to the nation's 500,000 shipbuilding workers. But management still balked.

Eighteen cents an hour across the board was the amount of a proposed raise agreed to by both labor chiefs and government officials, meeting with agencies, at a national shipbuilding wage conference.

Pacific Coast shipyard owners indicated willingness to discuss the figure, but the Eastern management group, East Coast yards—blocked approval of the increase since unanimous action was required.

As a result of the deadlock, the issue was relayed to the government's permanent Shipbuilding Stabilization Committee, which has the power of final decision.

AFL UNIONS WIN AWARD IN STRIKE SETTLEMENT

Aurora, Ill.—Wages of 825 employes of the Austin-Western Company, members of several AFL unions, have been increased and a strike threatening the plant here since Dec. 24 has ended in what organized labor hailed as a smashing victory over labor-hating manufacturers.

A U. S. conciliation service panel recently awarded an increase in wages increase of 13 cents an hour. Regarding said reclassification will result in raises of as high as 26 cents an hour for three-fourths of the workers. Both sides accepted.

All litigation, including an injunction and a million-dollar damage suit against the unions, has been withdrawn. Unions included the Blacksmiths, Firemen and Oilers, Patternmakers and Teamsters.

COURT ENJOINS FIRM USING CHILD LABOR

Atlanta.—A significant blow against exploitation of child labor in Dixie has just been struck by the U. S. Circuit Court of Appeals here.

The court ordered an injunction against two vegetable packing companies—Haslehurst Mercantile Company and Kemp & Pitts, both of Hazlehurst, Miss.—to restrain further violations of the child labor provisions of the Wage-Hour Act.

Both companies had employed children as young as 10 and 12 years. The Children's Bureau of the Department of Labor, over a prolonged period, collected detailed evidence of the infractions. Whereupon, the management promised to cease and desist, but no sooner had the bureau's inspectors turned their backs than the companies went right ahead evading the law again.

New Order On Wages

Washington, D. C.—That portion of the Presidt.t's executive order dealing with the new wage regulations follows:

2. (a) The National Wage Stabilization Board or other wage or salary stabilization agency having jurisdiction with respect to the wages or salaries involved shall approve any wage or salary increase, or part thereof, which it finds is consistent with the general pattern of wage or salary adjustments which has been established in the industry or local labor market area, between Aug. 18, 1945, and the date of this order, or, where there is no such general pattern, which it finds necessary to eliminate gross inequities as between related industries, plants or job classifications, to correct substandards of living, or to correct disparities between the increase in wage or salary rates in the appropriate unit since January, 1941, and the increase in the cost of living between January, 1941, and September, 1945. The board or other designated agency shall have authority to establish standards for approval of wage or salary increases differing from the standards set forth in this paragraph, to be applied in particular industries or classes of cases if it finds that such action is necessary to effectuate the purposes of this order.

(b) The Stabilization Administrator may, by regulation, specify classes of wage or salary increases which will in his judgment, have no unstabilizing consequences and which may be approved without application within the meaning of this order without prior consideration by the wage or salary stabilization agencies. Such regulations may make special provision for cases, among others, in which the wage or salary increase is of limited amount, or where there is no such general pattern, which it finds necessary to eliminate gross inequities as between related industries, plants or job classifications, to correct substandards of living, or to correct disparities between the increase in wage or salary rates in the appropriate unit since January, 1941, and the increase in the cost of living between January, 1941, and September, 1945. The board or other designated agency shall have authority to review the action of the Stabilization Administrator, to establish special standards for approval of wage or salary increases differing from the standards set forth in the regulations, to be applied in particular industries or classes of cases if it finds that such action is necessary to effectuate the purposes of this order.

(c) The Stabilization Administrator, by regulation or otherwise provide, the making, after the effective date of this order, of any wage or salary increase pursuant to Part IV, section 4 of Executive Order 9599, without the prior approval of the National Wage Stabilization Board or other designated wage or salary stabilization agency having jurisdiction with respect to the wages or salaries involved, the exercise or attempt to exercise a right of the employer to use such increase, at any time during the continuation of the stabilization laws, as a basis for seeking an increase in price or rent ceilings or, in the case of manufacturers or services furnished under contract with a federal procurement agency, as a basis for increasing costs to the United States.

(e) All arbitration awards, and all recommendations of publicly appointed fact-finding panels, with respect to wage or salary issues shall conform with the standards of this order and the regulations and directives issued thereunder. No wage or salary increases shall be put into effect in accordance with any such awards or recommendations, hereafter announced, unless and until approved by the appropriate wage or salary stabilization agency or unless such awards or recommendations are voluntarily accepted by the parties on the basis stated in the first sentence of subsection (c) of this section.

4. The Stabilization Administrator, in the Office of War Mobilization and Reconversion, shall have full authority to issue such orders and directives as may be necessary, in his judgment, to carry out the purpose of this order.

5. Any provision of any prior Executive Order in conflict herewith is hereby superseded to the extent of such conflict.

6. This order shall become effective Feb. 14, 1946.

18-Cent Boost To Shipbuilders

Washington, D. C.—By a majority vote, the Shipbuilding Stabilization Conference favored an increase of 18 cents an hour for 500,000 shipbuilders, effective Feb. 14.

Application of the increase was left to the National Wage Stabilization Board under a resolution adopted by labor and government members of the conference, with industry dissenting.

Since the government is virtually financing the shipbuilding program, it was said that a way would be found to pay the wage increase, the industry requiring a directive to make it reimbursable.

American Federation of Labor metal trades leaders at the conference favored the increase, siding with them were the Navy and Labor Departments and the Maritime Commission.